

(b) *Aggregation of basis within consolidated group.* With respect to distributed stock of a corporation, if the following two conditions are met, then section 732(f) shall apply only to the extent that the partnership's adjusted basis in the distributed stock immediately before the distribution exceeds the aggregate basis of the distributed stock of the corporation in the hands of corporate partners that are members of the same consolidated group (as defined in § 1.1502-1(h)) immediately after the distribution:

(1) Two or more of the corporate partners receive a distribution of stock in another corporation; and

(2) The corporation, the stock of which was distributed by the partnership, is or becomes a member of the distributee partners' consolidated group following the distribution.

(c) *Application of section 732(f) to Gain Elimination Transactions—(1) General rule.* In the event of a Gain Elimination Transaction, section 732(f) shall apply as though the Corporate Partner acquired control (as defined in section 732(f)(5)) of the Distributed Corporation immediately before the Gain Elimination Transaction.

(2) *Definitions.* The following definitions apply for purposes of this paragraph (c):

(i) *Corporate Partner.* The term *Corporate Partner* means a person that is classified as a corporation for federal income tax purposes and that holds or acquires an interest in a partnership.

(ii) *Stock.* The term *Stock* includes other equity interests, including options, warrants, and similar interests.

(iii) *Distributed Stock.* The term *Distributed Stock* means Stock distributed by a partnership to a Corporate Partner, or Stock the basis of which is determined by reference to the basis of such Stock. *Distributed Stock* also includes Stock owned directly or indirectly by a Distributed Corporation if the basis of such Stock has been reduced pursuant to section 732(f).

(iv) *Distributed Corporation.* The term *Distributed Corporation* means the issuer of Distributed Stock (or, in the case of an option, the issuer of the Stock into which the option is exercisable).

(v) *Gain Elimination Transaction.* The term *Gain Elimination Transaction* means a transaction in which Distributed Stock is disposed of and less than all of the gain is recognized unless—

(A) The transferor of the Distributed Stock receives in exchange Stock or a

partnership interest that is exchanged basis property (as defined in section 7701(a)(44)) with respect to the Distributed Stock; or

(B) A transferee corporation holds the Distributed Stock as transferred basis property (as defined in section 7701(a)(43)) with respect to the transferor corporation's gain. A Gain Elimination Transaction includes (without limitation) a reorganization under section 368(a) in which the Corporate Partner and the Distributed Corporation combine, and a distribution of the Distributed Stock by the Corporate Partner to which section 355(c)(1) or 361(c)(1) applies.

(d) *Tiered partnerships.* The rules of this section shall apply to tiered partnerships in a manner that is consistent with the purposes of section 732(f).

(e) *Applicability date.* This section applies to transactions occurring on or after June 8, 2018.

**Kirsten Wielobob,**

*Deputy Commissioner for Services and Enforcement.*

Approved: May 25, 2018.

**David J. Kautter,**

*Assistant Secretary of the Treasury (Tax Policy).*

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## DEPARTMENT OF HOMELAND SECURITY

### Coast Guard

#### 33 CFR Part 117

[Docket No. USCG-2018-0516]

#### Drawbridge Operation Regulation; Charles River, Boston, MA

**AGENCY:** Coast Guard, DHS.

**ACTION:** Notice of deviation from drawbridge regulation.

**SUMMARY:** The Coast Guard has issued a temporary deviation from the operating schedule that governs the Massachusetts Department of Transportation (Craigie) Bridge across Charles River, mile 1.0, at Boston, Massachusetts. This deviation is necessary to facilitate the Boston Pops Fireworks Spectacular on July 4, 2018, and allows the bridge to remain in the closed position for two hours.

**DATES:** This deviation is effective from 11 p.m. on July 4, 2018 through 1 a.m. on July 5, 2018.

**ADDRESSES:** The docket for this deviation, USCG-2018-0516 is available at <http://www.regulations.gov>. Type the docket number in the "SEARCH" box and click "SEARCH". Click on Open Docket Folder on the line associated with this deviation.

**FOR FURTHER INFORMATION CONTACT:** If you have questions on this temporary deviation, call or email Jeffrey Stieb, Bridge Management Specialist, First District Bridge Branch, U.S. Coast Guard; telephone 617-223-8364, email [Jeffrey.D.Stieb@uscg.mil](mailto:Jeffrey.D.Stieb@uscg.mil).

**SUPPLEMENTARY INFORMATION:** The Massachusetts Department of Transportation (Craigie) Bridge across Charles River, mile 1.0, at Boston, Massachusetts, has a vertical clearance of 12 feet at normal pool in the closed position. The existing drawbridge operating regulations are listed at 33 CFR 117.591(e).

The Massachusetts Department of Transportation requested a temporary deviation from the normal operating schedule. This temporary deviation will allow the bridge to remain closed from 11 p.m. on July 4, 2018 through 1 a.m. on July 5, 2018 to allow pedestrian traffic to exit the Boston Pops Fireworks Spectacular. The waterway is used extensively by recreational traffic during the fireworks display. A State Police Unit will be on-scene to direct vessel traffic. Vessels that can pass under the bridge in the closed position may do so at any time. The bridge will be able to open for emergencies. There is no alternate route for vessels to pass. The Coast Guard will inform users of the waterway of the change in operating schedule through our Local and Broadcast Notices to Mariners so that vessel operators can arrange their transits to minimize any impact caused by the temporary deviation.

In accordance with 33 CFR 117.35(e), the drawbridge must return to its regular operating schedule immediately at the end of the effective period of this temporary deviation. This deviation from the operating regulations is authorized under 33 CFR 117.35.

Dated: June 4, 2018.

**C.J. Bisignano,**

*Supervisory Bridge Management Specialist, First Coast Guard District.*

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